

Columbia Association
2010

annual report

To enhance the quality of life
for people living and working in Columbia,
to respect the land and ensure that the community
remains open, integrated and caring.

COLUMBIA ASSOCIATION'S MISSION



Year In Review

CA's Fiscal Year 2010
May 1, 2009-April 30, 2010
Accomplishments & Initiatives

- **CA President Phil Nelson completed his first year at CA**, and what a successful year it was! Congratulations!
- The **Open Space Management Division beautified the entrances to our communities and our facilities** with more than 10,000 bulbs and annual and perennial flowers.
- **Sponsored Get Active Howard County, a 10-week health and fitness initiative for residents who live in and individuals who work in Columbia**, in partnership with several Howard County departments and organizations.
- **Increased attendance at CA Welcome Events** due to increased marketing activities in print, web and Village communications.
- **CA launched the Community Solutions Program (CSP)**, a web site and unique phone number to ask questions or voice concerns. Through CSP, CA will respond by end of the next business day (Mon-Fri).
- CA's television show "**Columbia Matters**" (ColumbiaMatters.org) **was awarded six bronze Telly Awards** in the informational and entertainment categories.
- **Held seventh annual Images of Freedom poster contest** for Columbia's middle and high school students in honor of Black History Month **and seventh annual Día de la Familia event** commemorating Hispanic Heritage Month.
- **Columbia Art Center enhanced its service**
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Letter from the CA President and CA Board of Directors

Year In Review

Dear Resident,

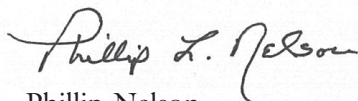
Columbia Association (CA) is pleased to present its Fiscal Year 2010 Annual Report. Columbia's founder, James Rouse, envisioned a city where people of all races, religions and economic backgrounds could live together in harmony with each other and with the environment. He believed that "the most successful community would be that which contributed the most by its physical form, its institutions and its operation to the growth of people." In support of Rouse's vision, **CA's mission is to enhance the quality of life for people living or working in Columbia and to ensure that Columbia remains an open, integrated, and caring community.**

At CA, we strive to tailor and create programs that meet the needs of our diverse community. **The enclosed financial statements, noted achievements and milestones aim to explain how your annual charge helps to fulfill CA's mission.** Not only does this charge contribute to CA's wide variety of programs, services and amenities, but it also maintains Columbia's high quality of life — and sustains Rouse's vision for generations to come.

Columbia has much to offer, from the beautiful open spaces to the first-rate amenities to the warm sense of community. **If you are new to the area, we invite you to attend one of CA's Welcome Events to introduce yourself to other local residents and discover Columbia's history and vision.** The next Welcome Event and the Annual Birthday Celebration will be held on International Day, July 24, from noon-10pm at the Downtown Columbia Lakefront.

As residents, you are the reason CA exists — and you are the pillar of our success. **Please take a moment to visit our web site at ColumbiaAssociation.org to learn how you can be a part of all that our community has to offer.** As always, we look forward to continuing to serve you and your family.

Sincerely,



Phillip Nelson
President, Columbia Association



Cynthia A.S.H. Coyle
Chairperson, CA Board of Directors

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offerings for maturing adults through partnerships with the Office on Aging and incorporated daytime classes for home-schooled youth.

- **Over 4,200 campers from pre-school through tenth grade participated in 24 different summer camps.**
- The **Bermuda grass fairways, installed at Fairway Hills and Hobbit's Glen Golf Clubs in 2006, and the new greens, installed at Hobbit's Glen in 2003, have fully matured** and have created optimum playing conditions.
- Held **seventh annual Hear My Voice Teen Idol event** in which teens competed to win gift certificates, cash prizes and a feature on *Columbia Matters*.
- **Supreme Sports Club was ranked the Best Gym/Health Club in Howard County** by *Howard Magazine* with **Columbia Athletic Club** and **Columbia Gym** receiving Honorable Mentions.
- **Partnered with Columbia schools for the ninth year so that nearly 700 income-qualified children could earn access to recreational facilities** for themselves and their families by bettering their academic and behavioral performance.
- **CA's print and direct mail campaign, "Baggy Pants," won an Addy award.**

- **CA launched the Urgent Notification System**, which informs residents of weather-related or emergency CA facility and program closings or delays via cell phone text message or e-mail.

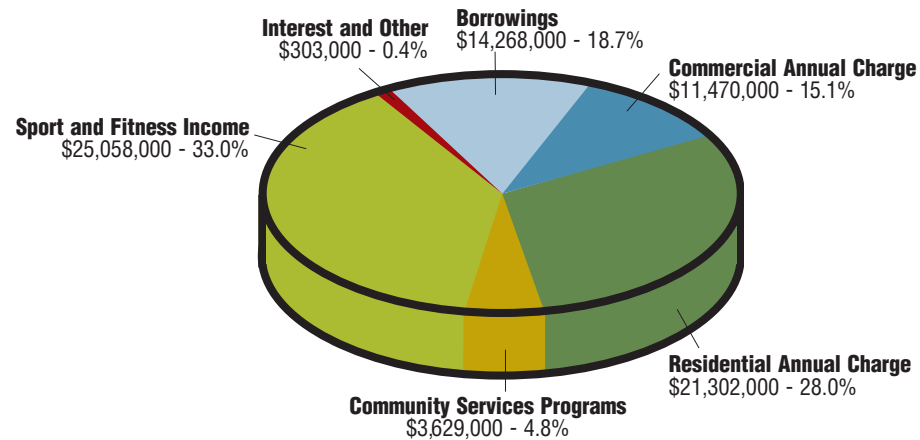
commitment

Year In Review

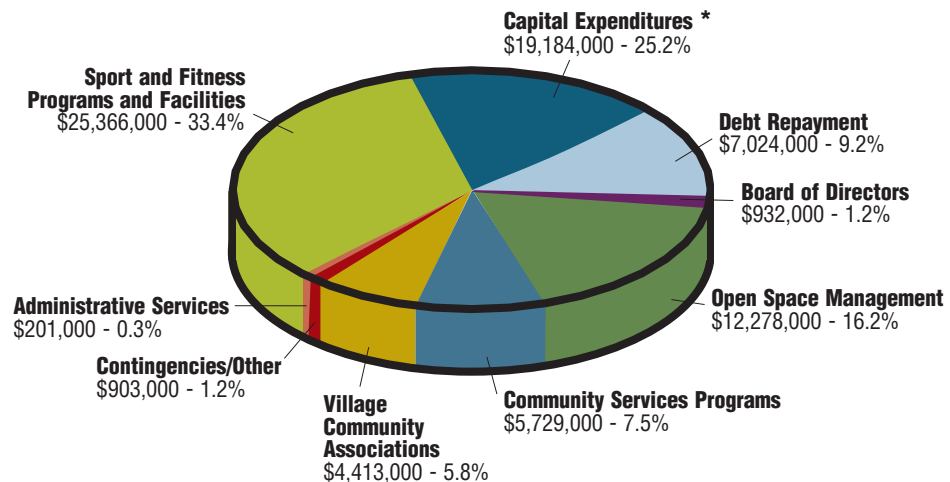
- Awarded Spirit of Columbia scholarships to six high school students.
- Produced and distributed CA Activities Guide to more than 54,000 households.
- Celebrated Columbia's diversity with International Day.
- Columbia Archives hosted the tenth annual BikeAbout historical tour and introduced the first-ever Walk & Wag.
- Hobbit's Glen Golf Club was ranked "The Best Golf Course in Howard County" by *Howard Magazine* with Fairway Hills Golf Club receiving an Honorable Mention.
- More than 1,800 youth were served on a daily basis in the School Age Services program this year.
- IT team members implemented SharePoint websites for some of CA's divisions to improve internal communications.
- Offered Second Sunday swim program, providing **free access to CA's 23 outdoor pools for all residents for one day in June, July and August.**
- **The Volunteer Center Serving Howard County expanded its social media capabilities** and created a presence on Facebook and Twitter.
- To ensure the splendor of Columbia's lakes, **CA began dredging Lake Elkhorn in Owen Brown and will soon dredge Lake Kittamaqundi and Wilde Lake.**

Columbia Association FY11 Approved Budget: Looking Toward Next Year Summary of Funds, Expenditures and Annual Borrowings

where the money will come from
\$76,030,000



where the money will be used
\$76,030,000



* Total Capital Expenditures of \$19,001,000 have been increased by \$183,000 due to certain unallocated non-cash adjustments.

This data representation is not in accordance with Generally Accepted Accounting Principles (GAAP).
The most recent financial statements and independent audit report are located at ColumbiaAssociation.org.

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Company Summary and Administrative Services

To learn more about CA's annual charge visit WhyIPayCA.org

Columbia Association (CA) finished FY10 with an increase in net assets of nearly \$5.9 million. Total income and total expenses were \$59.7 million and \$53.8 million, respectively. Total Income was below budget by nearly \$1.3 million. The shortfall in Annual Charge revenue is due to fewer than budgeted property sales (based on the phase-in value and not subject to the cap) and lower than projected new construction, as the weak real estate market continued this year. Total Operating Expenses were under budget by about \$3.3 million due to savings in a number of expense categories; the most significant of which was in Depreciation, which was under budget due to capital projects ▶

Communications and Marketing

Income from the sale of Package Plan and other memberships was 0.7% behind budget in FY10; however, retention for the fiscal year remained high at 84.4% due to the value of CA's current programs/services; CA's new programs; award-winning advertising creative; improved communications through CA's enhanced web portal; and increased training. Other significant accomplishments in FY10 include CA's TV show *Columbia Matters* receiving six bronze Telly Awards in the informational and entertainment categories; planning the seventh annual Images of Freedom poster contest for Columbia's middle and high school students in honor of Black History Month; and hosting the seventh annual Día de la Familia and the fourth annual Dog Day Afternoon.

Columbia Association Web Sites

The following is an abbreviated list of Columbia Association web sites. For a full list, see the Summer 2010 CA Activities Guide, page 6.

CAmonthly.org
Online edition of the CA Monthly newsletter

ColumbiaArchives.org
Explores the history of Columbia, MD

ColumbiaArtCenter.org
Classes, events and art for sale

ColumbiaAssociation.org
CA's main web site

ColumbiaCalendar.org
Events in and around Columbia

ColumbiaCamps.org
Provides information on CA Summer Camps

ColumbiaFitness.org
Advertises CA fitness membership opportunities

ColumbiaGolf.net
Fairway Hills and Hobbit's Glen

ColumbiaMartialArts.org
CA's Martial Arts Program

ColumbiaMatters.org
CA's online TV show

ColumbiaPools.org
Provides pool information and directions to CA's 23 outdoor pools

ColumbiaWatershed.org
Educates on protecting and restoring Columbia's waters

Community Services

The Community Services Division finished FY10 \$862,000 ahead of budget and \$369,000 better than the previous year. This positive fiscal performance is due to a reduction in expenses in all major expense categories.

More than 1,800 youth were served on a daily basis in the School Age Services program. Over 4,200 campers participated in 24 different summer camps, and more than 100 youngsters attended CA's camps thanks to CA's income-qualified program. The KidSpace program at the Supreme Sports Club, Columbia Gym, Columbia Athletic Club and Columbia Swim Center continued to be well-utilized by the community.

Additionally, the Columbia Community Exchange, Time Banking Program, registered 54 new members and facilitated 290 service exchanges. The Teen Center and Teen Outreach programs implemented many youth run programs such as Teen Band Nights, charity fundraisers, and much more. Among the many important programs that are supported by the estimated year-end annual charge investment are the Summer Lakefront Festival, the Columbia Archives, the Sister Cities program and support to the village associations.



closing later than expected. Interest expense savings of \$379,000 are primarily the result of lower than projected interest rates on credit line borrowings and the intentional delay in obtaining new financing. CA-wide Operating Supplies/Expenses were under budget by \$967,000 due mainly to delays in implementing the Watershed Plan and CA staff's concerted efforts throughout the year to reduce expenses. For further explanation of individual variances throughout CA's operations, please refer to the FY10 Fourth Quarter Board Report and the Division Directors' reports. *Columbia Association was incorporated in 1965 as the Columbia Parks and Recreation Association.*

Sport and Fitness

Activity at the Sport and Fitness facilities was approximately 40,000 visits lower in FY10 than in FY09 due primarily to weather-related closures of the facilities during the snowstorms of this past winter. In addition, the cold and rainy spring and early summer of 2009 also contributed to this decline. As a result, revenue, particularly on fee-based programs and admissions, experienced shortfalls. Overall, the Division fell short of budget by 4.1%.

Several facilities performed better than budget at year-end. These include Administration, the Columbia Swim Center, Discount Buying Service, the Columbia Athletic Club, Columbia Gym, Supreme Sports Club, the Horse Center, the Ice Rink and the SkatePark. The Outdoor Pools, Fairway Hills, Hobbit's Glen, Tennis and SportsPark failed to achieve budget. Those facilities that performed better than FY09 include Administration, Outdoor Pools, Columbia Swim Center, Discount Buying Service, the Columbia Athletic Club, the Horse Center, the SkatePark and the Ice Rink.

Open Space Management

The Open Space Management Division completed the year better than the budget in total operating expenses by \$1,494,000 and with a decrease in net assets of \$13,019,000. This represents a favorable variance of \$1,528,000 from budget. The majority of the Departments in the Division had total operating expenses less than the budget through the year.

The Land Maintenance Department expenses were less than budget in nearly all line items through the year.

The RV Storage Park is better than budget for the year in total operating expenses.

By the end of FY10, a total of \$9,576,000 of annual charge revenue was used to protect and maintain the environmental assets of Columbia. This includes more than 3,600 acres of open space, 93.5 miles of pathways, 171 tot lots, 258 footbridges, three lakes, 41 ponds, 34 miles of stream valleys as well as Symphony Woods Park, an extensive network of plazas, picnic areas, meadows, forestland, basketball and tennis courts, along with other recreational areas. Because of the annual charge paid by Columbia residents, Columbia remains a place where residents, surrounded by the natural environment and landscaped areas, can partake of this beauty as they go about their everyday lives.

Statements of Financial Position

Who We Are

ASSETS

	<u>2010</u>	<u>2009</u>
Cash and Cash Equivalents	\$179,000	\$75,000
Accounts Receivable, Net	13,947,000	14,481,000
Prepaid Expenses and Other Assets	1,000,000	1,048,000
Debt Service Fund	1,229,000	1,479,000
Risk Management Fund	6,878,000	6,896,000
Workers' Compensation Fund	1,463,000	1,272,000
Property, Facilities and Equipment, Net	96,616,000	97,232,000
Intangible Assets, Net	319,000	319,000
Deferred Bond Issuance/Financing Costs, Net	60,000	90,000
TOTAL ASSETS	<u>\$121,691,000</u>	<u>\$122,892,000</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Line of Credit	\$12,328,000	\$12,596,000
Accrued Interest	1,146,000	1,390,000
Accounts Payable and Accrued Expenses	8,413,000	7,941,000
Deferred Revenue	14,839,000	15,434,000
	<u>36,726,000</u>	<u>37,361,000</u>
Term Debt:		
Senior Secured Bonds	26,933,000	31,979,000
Capital Lease Obligations	244,000	337,000
Term Loan	4,521,000	5,845,000
Total Term Debt	<u>31,698,000</u>	<u>38,161,000</u>
Total Liabilities	<u>68,424,000</u>	<u>75,522,000</u>
UNRESTRICTED NET ASSETS	<u>53,267,000</u>	<u>47,370,000</u>
Total Net Assets	<u>53,267,000</u>	<u>47,370,000</u>

TOTAL LIABILITIES AND NET ASSETS

	<u>\$121,691,000</u>	<u>\$122,892,000</u>
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Created in 1965, two years prior to Columbia itself, Columbia Association (CA) strives to enhance the quality of life for people living and working in Columbia, respect the land and ensure that the city remains an open, integrated and caring community. Through its multitude of community service and fitness and recreation programs, CA seeks to fulfill this mission and extend the vision of Columbia's founder, James Rouse, to the multicultural palette of residents who call Columbia home.

Governed by a resident-elected Board of Directors, CA is responsive to the needs of the community and plays a vital role in the lives of residents. CA programs encourage our community to celebrate its diversity, not only in race, but also in age, religion, gender and economic status. CA also prides itself on programs that promote community service.

Other CA offerings include special programming for tots, teens and seniors. Tots and older school-aged children participate in the KidSpace program, Before and After School Care at 20 area schools, a variety of summer day camps and more. Teens enjoy dances, socials, programs and speakers organized by the Teen Center and the Teen Outreach Program.

No matter your age or income, CA is proud to offer income-qualified programs so that everyone can be a part of all that Columbia has to offer. For residents whose household income falls within CA's income guidelines, CA offers

Who We Are

discounts up to 75 percent for memberships to CA facilities or summer camps.

CA operates a welcome center; an art center; a teen center; an archive; a volunteer center; three fitness facilities; an ice rink; a SportsPark; two golf clubs; three tennis clubs; 23 outdoor swimming pools, including two mini-WaterParks; five indoor swimming pools, including a hot water therapy pool. CA also owns and leases Columbia Horse Center and the building housing Family and Children's Services of Central Maryland.

CA maintains 3,500 acres of Columbia's open space. This includes approximately 93.5 miles of pedestrian pathways, 171 tot lots, 258 footbridges, three man-made lakes, 41 ponds, 34 miles of stream valleys, the 40-acre Symphony Woods, Wilde Lake Park and the Lake Elkhorn Park and Pavilion. It also includes an extensive network of pedestrian underpasses and overpasses, meadows, forestland, basketball courts, public tennis courts, Town Center and village center plazas and the community centers and recreational facilities located throughout the community.

Through the breadth of its many programs and services, CA constantly attempts to fulfill the promise made by its founder, James Rouse, during a 1963 speech: "There really can be no other right purpose of community except to provide an environment and an opportunity to develop better people." We are proud to be an extension of Rouse's original vision, and we will continue his great legacy for generations to come.

Statements of Activities

REVENUES AND GAINS

	<u>2010</u>	<u>2009</u>
Property Assessments	\$32,077,000	\$31,109,000
Operating Revenues:		
Sport and Fitness	23,718,000	24,146,000
Communications and Marketing	4,000	4,000
Community Services	3,682,000	3,660,000
Open Space Management	130,000	460,000
Interest Income	161,000	438,000
Unrealized Gain (Loss) on Marketable Securities	<u>(65,000)</u>	<u>(31,000)</u>
TOTAL REVENUES AND GAINS	<u>59,707,000</u>	<u>59,786,000</u>

EXPENSES

Operating Expenses:		
Sport and Fitness	23,855,000	23,876,000
Communications and Marketing	787,000	723,000
Community Services	8,465,000	8,819,000
Open Space Management	10,160,000	9,507,000
Administrative	7,315,000	6,995,000
Interest	3,228,000	3,923,000
TOTAL EXPENSES	<u>53,810,000</u>	<u>53,843,000</u>

INCREASE IN UNRESTRICTED NET ASSETS	5,897,000	5,943,000
UNRESTRICTED NET ASSETS, BEGINNING OF YEAR	<u>47,370,000</u>	<u>41,427,000</u>
UNRESTRICTED NET ASSETS, END OF YEAR	<u>\$53,267,000</u>	<u>\$47,370,000</u>

Statements of Cash Flows

Treasurer's Note

CASH FLOWS FROM OPERATING ACTIVITIES

	2010	2009
Increase in Unrestricted Net Assets	\$5,897,000	\$5,943,000
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities:		
Depreciation Expense and Amortization	7,612,000	7,347,000
Amortization of Deferred Bond Issuance Costs	30,000	38,000
Loss (gain) on Disposal of Fixed Assets	82,000	148,000
Unrealized (gain) loss on Marketable Securities	65,000	31,000
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	534,000	(441,000)
Prepaid Expenses and Other Assets	48,000	(64,000)
Accrued Interest	(244,000)	(260,000)
Accounts Payable and Accrued Expenses	472,000	478,000
Deferred Revenue	(595,000)	(367,000)
Net Cash Provided by Operating Activities	<u>13,901,000</u>	<u>12,853,000</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Net Purchases of Investments Held by Trustees	12,000	244,000
Purchase of Property, Facilities and Equipment	(7,080,000)	(7,146,000)
Proceeds from the Sale of Equipment	2,000	33,000
Net Cash Used in Investing Activities	<u>(7,066,000)</u>	<u>(6,869,000)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Line of Credit	(268,000)	1,130,000
Long-term Debt Principal Payments:		
Senior Secured Bonds	(5,046,000)	(5,865,000)
Capital Lease Obligations	(93,000)	(92,000)
Term Loan	(1,324,000)	(1,243,000)
Net Cash Used in Financing Activities	<u>(6,731,000)</u>	<u>(6,070,000)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	104,000	(86,000)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	75,000	161,000
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$179,000</u>	<u>\$75,000</u>

The financial information on pages six through eight was prepared by Columbia Association management, and the FY2010 statements are in the process of being audited by Clifton Gunderson LLP, a Baltimore-based accounting and consulting firm. The data represents the Columbia Association's Statement of Financial Position between April 30, 2009, and April 30, 2010, and the related statement of activities and cash flows for the years then ended.

This information should be read in conjunction with the summary of significant accounting policies and notes to financial statements that, along with the audited financial statements, will be made available to the public at the beginning of August 2010.

For questions regarding this information, please contact the treasurer's office at 410-715-3131.

